



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
www.ladpw.org

DONALD L. WOLFE, Director

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE
REFER TO FILE: **C-1**

December 5, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AWARD CONSTRUCTION CONTRACT
MARINA BEACH WATER QUALITY IMPROVEMENT PROJECT
CAPITAL PROJECT NO. 69219
SUPERVISORIAL DISTRICT 4
3 VOTES**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER AND
THE DIRECTOR OF BEACHES AND HARBORS THAT YOUR BOARD:**

1. Award and authorize the Director of Public Works, or his designee, to execute a construction contract, in the form previously approved by County Counsel, with Mike Bubalo Construction Co., Inc., the lowest responsible and responsive bidder, for the Marina Beach Water Quality Improvement Project (Improvement Project), in the amount of \$2,399,375, and establish the effective contract date following receipt of approved Faithful Performance and Labor and Material Bonds and insurance certificates from the contractor.
2. Approve a revised total project budget of \$3,916,000 for Phase II of the Improvement Project.
3. Approve the enclosed appropriation adjustment (Enclosure A) in the amount of \$978,000 offset by the Department of Beaches and Harbors' Marina Accumulative Capital Outlay (Marina ACO) Fund to fully fund the total revised project budget of \$3,000,000 for Part I of Phase II of the Improvement Project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will allow Public Works to proceed with construction of Part I of Phase II of the Improvement Project.

The project scope of work for Part I of Phase II consists of the construction of a new stormwater diversion system at Marina (Mother's) Beach which includes extensive excavation and backfill work to install approximately 2,700 linear feet of reinforced concrete pipe and appurtenant structures in the paved walkway for Mother's Beach from Palawan Way to Panay Way, to divert surface flows to the adjacent Basin C where there is no water contact recreation.

Part II of Phase II which entails structural upgrades to the existing dock and construction of a new gangway including installation of two new water circulators below the water surface was completed by the Internal Services Department in October 2006.

On September 12, 2006, your Board adopted the plans and specifications and authorized advertising for construction bids on Part I of Phase II. On October 12, 2006, eight bids were received, which all exceeded the engineer's estimate of \$1,510,095 by a range of 59 percent to over 250 percent (Enclosure B). Mike Bubalo Construction Co., Inc., was the lowest responsive and responsible bidder with a bid of \$2,399,375, which exceeded the engineer's estimate by \$889,280 or 59 percent. While the bid price is higher than the estimate, Public Works considers Mike Bubalo Construction Co., Inc.'s bid to be reasonable for the project scope of work and, based on the current market conditions, does not believe re-advertising the project will result in lower bids. Therefore, we recommend award of the contract to Mike Bubalo Construction Co., Inc., the low bidder.

Implementation of Strategic Plan Goals

This project is consistent with the County Strategic Plan Goal of Service Excellence and Community Service since it will provide area residents with increased protection of a scenic and recreational resource by diverting trash and contaminants away from recreational receiving waters.

FISCAL IMPACT/FINANCING

The recommended construction contract with Mike Bubalo Construction Co., Inc., is for \$2,399,375. In addition, \$239,938 has been allocated for change orders in the construction budget.

The total cost (Enclosure C) for Part I of Phase II is \$3,000,000 for a revised total project cost of \$3,916,000 for Phase II, which is \$978,000 more than the previously approved budget of \$2,938,000. The Project Schedule and Budget Summary are included in Enclosure C.

Approval of the enclosed appropriation adjustment will allocate an additional \$978,000 funded from the Marina ACO Fund to fully fund the project based on the bid received. Upon approval of the appropriation adjustment, the project will be funded by \$1,750,000 from a State Clean Water Act Grant, \$838,000 of net County Cost, and \$1,328,000 from the Marina ACO Fund.

Operating Budget Impact

Following completion of the project, the Department of Beaches and Harbors does not anticipate any start-up costs and will absorb any additional operational costs within existing budgetary resources.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The recommended contract award is to the lowest responsible bidder in accordance with the California Public Contract Code and your Board's directives.

On October 27, 1981, your Board adopted a program for the use of small Minority and Women-owned Businesses (MWBs) on Federal- and State-funded highway construction contracts. Companies meeting these requirements are certified by the State as Disadvantaged Business Enterprises (DBEs). An overall goal for subcontracting portions of the work to DBEs is established for each project. Contracts are recommended for award to the lowest responsible bidder who meets the goal or documents a good faith effort to do so in conformance with the program.

We have also developed an outreach program to encourage all qualified contractors to participate in the bidding and contracting process on our projects. Under this program, we place notices of upcoming bids in local and minority newspapers throughout the County. These notices indicate that copies of plans and specifications are available at specified libraries and the Public Works Headquarters building. This allows interested contractors to view the plans and specifications at convenient locations. We also provide telephone numbers (including one for Spanish-speaking contractors) to obtain further information on bidding and subcontracting opportunities.

To further increase contractor awareness of contracting opportunities with Public Works, this project was listed on the County website for upcoming bids.

The State Labor Code requires contractors to pay prevailing wage rates to all persons employed on public works construction contracts. These rates are determined by the Department of Industrial Relations and include contributions for fringe benefits such as vacations, pension funds, training, and health plans for each employee.

As required by your Board, language has been incorporated into the project specifications stating that the contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws.

This contract will be in the form previously approved by County Counsel. We will also review and approve the faithful performance and payment bonds filed by the contractor.

ENVIRONMENTAL DOCUMENTATION

On February 24, 2004, Synopsis No. 14, your Board approved the Mitigated Negative Declaration for this project and the Addendum on July 12, 2005.

CONTRACTING PROCESS

The contract was solicited on an open competitive basis in accordance with the provisions of the Public Contract Code.

The project specifications contain provisions requiring the contractor to report solicitations of improper consideration by County employees and allowing the County to terminate the contract if it is found that the contractor offered or gave improper consideration to County employees.

Public Works has confirmed that the contractor is in compliance with the County's Child Support Compliance Program and the requirements of the Contractor Employee Jury Service Program. In addition, the contract will include language requiring compliance with the Newborn Abandonment Law (Safely Surrendered Baby Law).

The project specifications also contain a provision that, should the contractor require additional or replacement personnel to fill employment openings, consideration shall be given to hiring qualified participants in the County's Greater Avenues for Independence or General Relief Opportunities for Work Programs.

To ensure that the contracts are awarded to responsible contractors with satisfactory performance histories, bidders are required to report False Claims Act violations, labor law/payroll violations, debarments, their civil litigation history, and information regarding prior criminal convictions. The information reported by the contractor was considered before making this recommendation to approve execution of the contract.

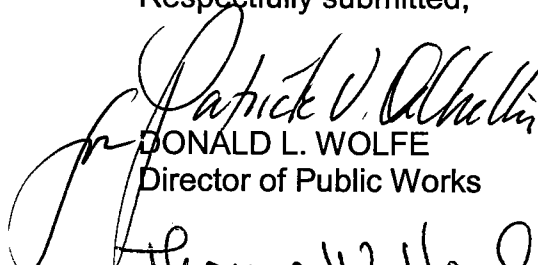
IMPACT ON CURRENT SERVICES (OR PROJECTS)

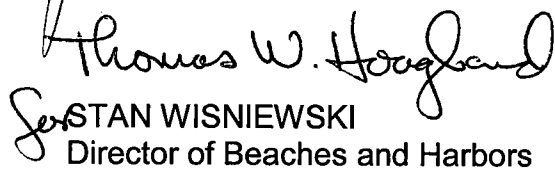
The project is to be completed in 100 working days. It is estimated that the work will start in January and be completed in May 2007. Local residents and businesses will be informed that traffic and local access will be disrupted during the construction.

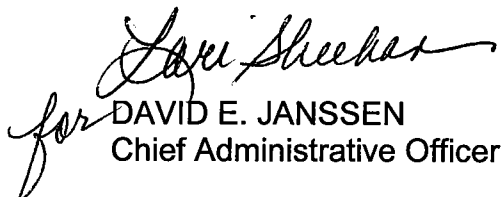
CONCLUSION

Please return one adopted copy of this letter to the Chief Administrative Officer (Capital Projects), Beaches and Harbors, and Public Works.

Respectfully submitted,


DONALD L. WOLFE
Director of Public Works


STAN WISNIEWSKI
Director of Beaches and Harbors


for DAVID E. JANSSEN
Chief Administrative Officer

WAR:lgn

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Enc. 3

cc: County Counsel
Office of Affirmative Action Compliance

ENCLOSURE A

**AWARD CONSTRUCTION CONTRACT
MARINA BEACH WATER QUALITY IMPROVEMENT PROJECT
CAPITAL PROJECT NO. 69219**

**APPROPRIATION ADJUSTMENT
(See Enclosure)**

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. NO. 055

DEPARTMENT OF BEACHES AND HARBORS

11-20-2006 ~~PER~~

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

3.41 - VOTE
FY 2006 - 2007

Sources:

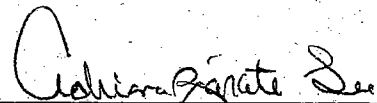
Beaches and Harbors
Marina ACO Fund
Services and Supplies
MA2-BH-65296-2000
\$978,000

Uses:

Beaches and Harbors
Marina ACO Fund
Operating Transfer Out
MA2-BH-65296-6100
\$978,000Beaches and Harbors
Marina Water Quality Improvement
Operating Transfer IN/CP
A01-CP-69219-9919
\$978,000Beaches and Harbors
Marina Water Quality Improvement
Fixed Assets - B & I
A01-CP-69219-6014
\$978,000

Justification:

To transfer funds from Services and Supplies to Fixed Assets in the Marina Beach Water Quality Improvement Project.


Adriana Zarate-Lee

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR—

ACTION

RECOMMENDATION

APPROVED AS REQUESTED

AS REVISED

Nov. 21, 2006

S. Kikawa

CHIEF ADMINISTRATIVE OFFICER

AUDITOR-CONTROLLER

BY

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

19

No. 063

NOV. 20 2006

BY

DEPUTY COUNTY CLERK

ENCLOSURE B

PROJECT ID NO. CON0000002, MARINA BEACH WATER QUALITY IMPROVEMENT PROJECT, CAPITAL PROJECT NO. 69219 (in the vicinity of Marina del Rey),
Supervisory District 4

TYPE OF WORK: Construction of 24" and 30" RGRCP drain, drainage structures, jacking approximately 38 LF of 30" RGRCP, and other appurtenant work.

CALL FOR BIDS DATE: September 12, 2006 (Agenda No. 29)

BID OPENING DATE: October 12, 2006

BID SUMMARY:

Low	Mike Bubalo Construction Co., Inc., a corporation 5102 Gayhurst Avenue Baldwin Park, California 91706 (626) 960-7787	\$2,399,375.00
2	Environmental Construction, Inc.	\$2,493,057.00
3	Steve Bubalo Construction Co., Inc.	\$2,649,897.00
4	+Garcia Juarez Construction, Inc.	\$3,231,000.00
5	Highland Engineering of California, Inc.	\$3,324,453.97
6	W. A. Rasic Construction Co., Inc.	\$4,125,580.00
7	Blois Construction, Inc.	\$4,998,375.00
8	+Clarke Contracting Corporation	\$5,422,170.00

+LSBE

FINANCIAL INFORMATION:

Amount of estimate	\$1,510,095.00
Amount of recommended contract	\$2,399,375.00
Amount of recommended contract above estimate	\$ 889,280.00

The amount of the recommended contract is 59 percent above the estimate, which was based on recent contract prices for similar items of work. While the bid price is higher than the estimate, the bids received are competitive, and readvertising the project will result in increased contract administration costs and delay construction with no guarantee that lower bids will be received. Therefore, we recommend award of the contract to the low bidder.

Sufficient appropriation is available in the Fiscal Year 2006-07 Capital Project Budget under C.P. No. 69219.

MINORITY/WOMEN-OWNED BUSINESS ENTERPRISE DATA:

Mike Bubalo Construction Co., Inc., has no MWBE subcontractors/suppliers under this contract. This contract does not have a Federal or State DBE goal.

ENVIRONMENTAL IMPACT:

On February 24, 2004, Synopsis No. 14, your Board approved the Mitigated Negative Declaration for this project and the Addendum on July 12, 2006.

CONSTRUCTION SCHEDULE:

The contract specifications require the work to be completed in 100 working days. It is estimated that the work will start in January and be completed in May 2007.

WAR:lgn

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ENCLOSURE C

PROJECT SCHEDULE AND BUDGET SCHEDULE

**Marina Beach Water Quality Improvement Project
Dock/Gangway/Water Circulators and Storm Drain System
C.P. No. 69219**

I. PHASE II PROJECT SCHEDULE

Budget Category	Storm Drain System (Part I)	Water Circulators (Part II)
Construction Contract Award	12/05/06	07/25/05
Construction Start	01/02/07	09/05/06
Substantial Completion	05/25/07	10/31/06
Final Acceptance	06/30/07	11/30/06

II. PHASE II BUDGET SUMMARY

Budget Category	Storm Drain System (Part I)	Water Circulators (Part II)	Revised Project Budget
Construction	\$2,399,375	\$567,000	\$2,966,375
Change Order Contingency	239,938	57,000	296,938
Total Construction	\$2,639,313	\$624,000	\$3,263,313
County Services	\$207,687	\$187,000	\$394,687
Consultant Services	\$153,000	\$105,000	\$258,000
Total	\$3,000,000	\$916,000	\$3,916,000